actions against individuals who knowingly or recklessly aid or abet a violation of securities laws.

Admittedly, this is not an exhaustive list of financial reforms. I also believe we need to reconstitute our system of consumer financial protection, which was a major failure before our last crisis. We must have an independent Consumer Financial Protection Agency, CFPA, that has strong and autonomous rulemaking authority and the ability to enforce those rules at nonbanking entities like payday lenders and mortgage finance companies. Most importantly, the head of this agency must not be subject to the authority of any regulator responsible for the ''safety and soundness'' of the financial institutions.

This is basic. If you are involved, like most of our banking regulatory agencies, in the Treasury, their primary responsibility is the safety and soundness of those financial institutions. We need an organization such as the CFPA, which looks out totally for the interest of consumers and consumers alone.

Unfortunately, like the public option in healthcare, the CFPA issue has become something of a ''shiny object''—though certainly an important one—that has distracted the focus of debate away from the core issues of ''too big to fail.''

Beginning with the solutions for ''too big to fail,'' each of these challenges represents a crucial step along the way towards fixing a regulatory system that has permitted both large and small failures. Each is an important piece to the puzzle.

I know there are those who will disagree with some, and perhaps all of these proposals. They sincerely advocate a path of incrementalism, of achieving small reforms over time. They say that problems as complex as these need to be solved by the regulators, not by Congress. After all, they are the ones with the expertise.

I respectfully disagree.

Giving more authority to the regulators is not a complete solution. While I support having a systemic risk council and a consolidated bank regulator, these are necessary but not sufficient reforms—the President's Working Group on Financial Markets has actually played a role in the past similar to that of the proposed council, but to no discernible effect. I do not see how these proposals alone will address the key issue of ''too big to fail.''

In the brief history I outlined earlier, the regulators sat idly by as our financial institutions bulked up on short-term debt to finance large inventories of collateralized debt obligations backed by subprime loans and leveraged loans that financed speculative buyouts in the corporate sector.

They could have sounded the alarm bells and restricted this behavior, but they did not. They could have raised capital requirements, but instead farmed out this function to credit rating agencies and the banks themselves. They could have imposed consumer-related protections sooner and to a greater degree, but they did not. The sad reality is that regulators had substantial powers, but chose to abdicate their responsibilities.

What is more, regulators are almost completely dependent on the information, analysis and evidence as presented to them by those with whom they are charged with regulating. Last year, former Federal Reserve Chairman Alan Greenspan, once the paragon of laissez-faire capitalism, stated that ''it is clear that the levels of complexity to which market practitioners, at the height of their euphoria, carried risk management techniques and risk-product design were too much for even the most sophisticated market players to handle properly and prudently.'' I submit that if these institutions that employ such techniques are too complex to manage, then they are surely too complex to regulate.

That is why I believe that reorganizing the regulators and giving them additional powers and responsibilities isn't the answer. We cannot simply hope that chastened regulators or newly appointed ones will do a better job in the future, even if they try their hardest. Putting our hopes in a resolution authority is an illusion. It is like the harbormaster in Southampton adding more lifeboats to the *Titanic*, rather than urging the ship to steer clear of the icebergs. We need to break up these institutions before they fail, not stand by with a plan waiting to catch them when they do fail.

Without drawing hard lines that reduce size and complexity, large financial institutions will continue to speculate confidently, knowing that they will eventually be funded by the taxpayer if necessary. As long as we have ''too big to fail'' institutions, we will continue to go through what Professor Johnson and Peter Boone of the London School of Economics has termed ''doomsday'' cycles of booms, busts and bailouts, a so-called ''doom loop'' as Andrew Haldane, who is responsible for financial stability at the Bank of England, describes it.

The notion that the most recent crisis was a ''once in a century'' event is a fiction. Former Treasury Secretary Paulson, National Economic Council Chairman Larry Summers, and J.P. Morgan CEO Jamie Dimon all concede that financial crises occur every 5 years or so.

Without clear and enforceable rules that address the unintended consequences of unchecked financial innovation and which adequately protect investors, our markets will remain subverted.

These solutions are among the cornerstones of fundamental and structural financial reform. With them we can build a regulatory system that will endure for generations instead of one that will be laid bare by an even bigger crisis in perhaps just a few years or a decade's time. We built a lasting regulatory edifice in the midst of the Great Depression, and it lasted for nearly half a century. I only hope we have both the fortitude and the foresight to do so again.

IRAN REFINED PETROLEUM SANCTIONS ACT OF 2009

Mr. KAUFMAN. Madam President, I ask unanimous consent that the Banking Committee be discharged from further consideration of H.R. 2194, the Iran Refined Petroleum Sanctions Act of 2009, and the Senate then proceed to its consideration.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 2194) to amend the Iran Sanctions Act of 1996 to enhance United States diplomatic efforts with respect to Iran by expanding economic sanctions against Iran.

There being no objection, the Senate proceeded to the consideration of the bill.

Mr. KAUFMAN. Madam President, I ask unanimous consent that the substitute amendment, which is at the desk and is the language of S. 2799 as passed by the Senate on January 28, 2010, be considered and agreed to, the bill, as amended, be read three times, passed, and the motion to reconsider be laid upon the table; that upon passage, the Senate insist on its amendment, request a conference with the House on the disagreeing votes of the two Houses, and the Chair be authorized to appoint conferees on the part of the Senate with a ratio of 4 to 3, without further intervening action or debate.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment (No. 3466) was agreed to.

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 2194), as amended, was read the third time and passed.

The ACTING PRESIDENT pro tempore appointed Mr. DODD, Mr. KERRY, Mr. LIEBERMAN, Mr. MENENDEZ, Mr. SHELBY, Mr. BENNETT, and Mr. LUGAR conferees on the part of the Senate.

Mr. KAUFMAN. I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

Mr. ALEXANDER. Madam President, I ask unanimous consent that the Republican Senators be able to engage in a colloquy.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

HEALTH CARE REFORM

Mr. ALEXANDER. Madam President, the Senator from Arizona and I and Senator BARRASSO, who will be here in a few minutes, had the privilege of